

MEMORANDUM

TO: Commissioners Hardy, Hadley, Landis, Server and Ziegner
FROM: Jerry L. Webb, Director of Gas/Water/Sewer Division
DATE: January 26, 2006
RE: Utility Articles for Next Conference

The following Final Articles A are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after January 31, 2006.

“A” Final

The following new miscellaneous items will be eligible for final consideration at the next Commission Conference and based upon a review of them by staff members of the Commission, I recommend approval.

1. Indiana Gas Company, Inc.

The utility is proposing to establish a new rate schedule (“Rate 235 – School Transportation Service” – Tariff Sheet No. 14) to make transportation service available to any Non-Residential Customer that is an educational institution for which transportation service is not presently available. The proposed rate schedule:

- a. Requires a lower annual usage threshold than is presently required for Transportation service under other rate schedules;
- b. Includes a \$25 increase in the customer facilities charge (Group 2 meter from \$36 to \$61 and Group 3 meter from \$75 to \$100), as compared to the general sales rate schedule currently available to school customers of this size.
- c. Includes distribution charges identical to those currently applicable to these school customers under the general sales rate schedule.
- d. Requires the customer to enter into a contract for at least one year that specifies the hourly and daily maximum gas requirements of the customer.
- e. Allows customer to participate in Pooling Service.
- f. Subjects customer to nomination and balancing provisions.
- g. Incorporates Rate 235 customers into the utility’s curtailment procedures.

Cost support has been provided

The tariff sheets affected by this filing are:

Sheet No. 2 – Tariff Sheet Index, Page 1 of 3.

Sheet No. 14 – Pages 1 and 2 have been created for Rate 235.

Sheet No. 20 – Rate 280, Pooling Service, Pages 1 and 2 of 4
Rate 235 has been added to “Applicability”, “Character of Service” and “Provisions and Requirements For Transportation Customer Participation”.

Sheet No. 30 – Appendix A, Gas Cost Adjustment, Page 1 of 1
The Gas Cost Adjustment for Rate 235 is reflected as \$0.0000.

Sheet No. 34 – Appendix E, Nomination and Balancing Provisions, Page 1 of 6

Rate 235 has been added to “Applicability”.

Sheet No. 36 – Appendix G, Universal Service Fund Rider, Page 1 of 1
The Universal Service Fund (USF) Rider for Rate 235 is consistent with the USF Rider currently applicable to these school customers under Rate 220. (Sheet No. 36 as shown reflects the 2006 USF Rider by Rate Schedule which was approved by the Commission on December 14, 2005.)

Sheet No. 37 – Appendix H, Pipeline Safety Adjustment, Page 1 of 1
The Pipeline Safety Adjustment (PSA) for Rate 235 is consistent with the PSA currently applicable to these school customers under Rate 220.

Sheet No. 61 – General Terms and Conditions Applicable to Gas Service Rule 24, Curtailment Procedures, Pages 1 and 2 of 4
Rate 235 has been added to “Definitions” and “Gas Supply Curtailment Sequence”.

2. Southern Indiana Gas and Electric Company

The utility is proposing to establish a new rate schedule (“Rate 135 – School Transportation Service” – Tariff Sheet No. 14) to make transportation service available to any Non-Residential Customer that is an educational institution for which transportation service is not presently available. The proposed rate schedule:

- a. Requires a lower annual usage threshold than is presently required for Transportation service under other rate schedules;
- b. Includes a \$25 increase in the customer facilities charge (Group 2 meter from \$34 to \$59 and Group 3 meter from \$70 to \$95), as compared to the general sales rate schedule currently available to school customers of this size .
- c. Includes distribution charges identical to those currently applicable to these school customers under the general sales rate schedule.
- d. Requires the customer to enter into a contract for at least one year that specifies the hourly and daily maximum gas requirements of the customer.
- e. Allows Customer to participate in Pooling Service.
- f. Subjects customer to nomination and balancing provisions.
- g. Incorporates Rate 135 customers into the Utility’s curtailment procedures.

The tariff sheets affected by this filing are:

Sheet No. 2 – Tariff Sheet Index, Page 1 of 3.

Sheet No. 14 – Pages 1 and 2 have been created for Rate 135.

Sheet No. 19 – Rate 180, Pooling Service, Pages 1 and 2 of 4
Rate 135 has been added to “Applicability”, “Character of Service” and
“Provisions and Requirements For Transportation Customer
Participation”.

Sheet No. 30 – Appendix A, Gas Cost Adjustment, Page 1 of 1
The Gas Cost Adjustment for Rate 135 is reflected as \$0.0000.

Sheet No. 34 – Appendix E, Nomination and Balancing Provisions, Page 1
of 6
Rate 135 has been added to “Applicability”.

Sheet No. 36 – Appendix G, Universal Service Fund Rider, Page 1 of 1
The Universal Service Fund (USF) Rider for Rate 135 is consistent with
the USF Rider currently applicable to these school customers under Rate
120. (Sheet No. 36 as shown reflects the 2006 USF Rider by Rate
Schedule which was approved by the Commission on
December 14, 2005.)

Sheet No. 37 – Appendix H, Pipeline Safety Adjustment, Page 1 of 1
The Pipeline Safety Adjustment (PSA) for Rate 135 is consistent with the
PSA currently applicable to these school customers under Rate 120.

Sheet No. 61 – General Terms and Conditions Applicable to Gas Service
Rule 24, Curtailment Procedures, Page 2 of 4
Rate 135 has been added to the Gas Supply Curtailment Sequence.

Please indicate your consideration and action of all the preceding items on the appropriate lines provided below.

Jerry L. Webb
Director of Gas/Water/Sewer Division

I approve of all items as presented above:

I approve of all items as presented above except:

Not participating in the following items:

I, _____, Disapprove Items

No.

I, _____, Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.

Brenda Howe, Acting Executive Secretary